

## Competing in a Deregulated Market Through Load Curtailment



In 1998, bulk power prices that periodically exceeded \$5000/MWh underscored the need for energy providers to develop the ability to adjust their demand in response to intermittent fluctuations in the cost and availability of electricity. By offering pricing programs that reflect these varying costs, energy companies in an increasingly deregulated marketplace can offer industrial customers an opportunity to take advantage of lower prices—as you gain control over the price you pay for bulk power. Obtaining such win-win results from innovative pricing programs depends on first determining ways in which your industrial customers can adjust their processes to curtail the use of electricity during times of high cost or low availability. This depends heavily on the ease with which a customer can reduce or reschedule heavy energy use in response to curtailment requests or hourly pricing information received from your energy company. Because some industrial processes have far more rigid operation and production schedules than others, curtailment programs require careful research and planning to ensure their success and protect against disruptions to your customers' operations.

### **EPRI CAN HELP YOU EVALUATE AND IMPLEMENT LOAD CURTAILMENT PROGRAMS FOR INDUSTRIAL CUSTOMERS.**

We will work with you to identify key segments of your industrial market, identify potential customers to consider for curtailment programs, and collect/analyze background

### **Allows Energy Companies to Maximize Profitability by Responding to Varying Power Costs**

data on each segment and customer. We will then prepare Fact Sheets that identify the specific industrial operations and equipment, financial and operational constraints, and other factors that affect a customer's curtailment performance. EPRI will also develop or review incentives, qualifications, restrictions, and any other components that affect the cost/benefit ratio and customer acceptance of curtailment programs.

EPRI will make the following products available to project participants:

- Fact Sheets detailing the factors influencing the ability of customers in an industrial market segment to successfully participate in curtailment programs
- A one-day seminar that covers the characteristics and curtailment potential of the target markets, the end-use loads most amenable to curtailment in a market sector, means by which to identify future curtailment opportunities for customers, basics on how to structure a curtailment program, and how to evaluate the cost/benefit impact of the program to the energy provider
- As desired, price structures and conditions for the curtailment programs and customers under consideration


### **EPRI'S INDUSTRIAL KNOWLEDGE AND TECHNICAL CAPABILITIES MAKE US UNIQUELY QUALIFIED**

to provide this customizable program. Our 25 years of experience in industrial processes and electrotechnologies, coupled with a vast background in power operations and pricing, put us on the leading edge of strategies for meeting deregulation head-on.

**THIS CUSTOMIZABLE PROGRAM IS OPEN TO** electric utilities, distribution companies, and energy service providers worldwide, and can be initiated upon client request. The price of this program will vary, depending on the number of target market segments, the number and characteristics of the customers in each segment, and the number of pricing/program alternatives developed or evaluated.

**FOR MORE INFORMATION, CONTACT** the EPRI Customer Assistance Center at 800-313-3774 or *askepri@epri.com* or William M. Smith at 650-855-2415 or *wmsmith@epri.com*.

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